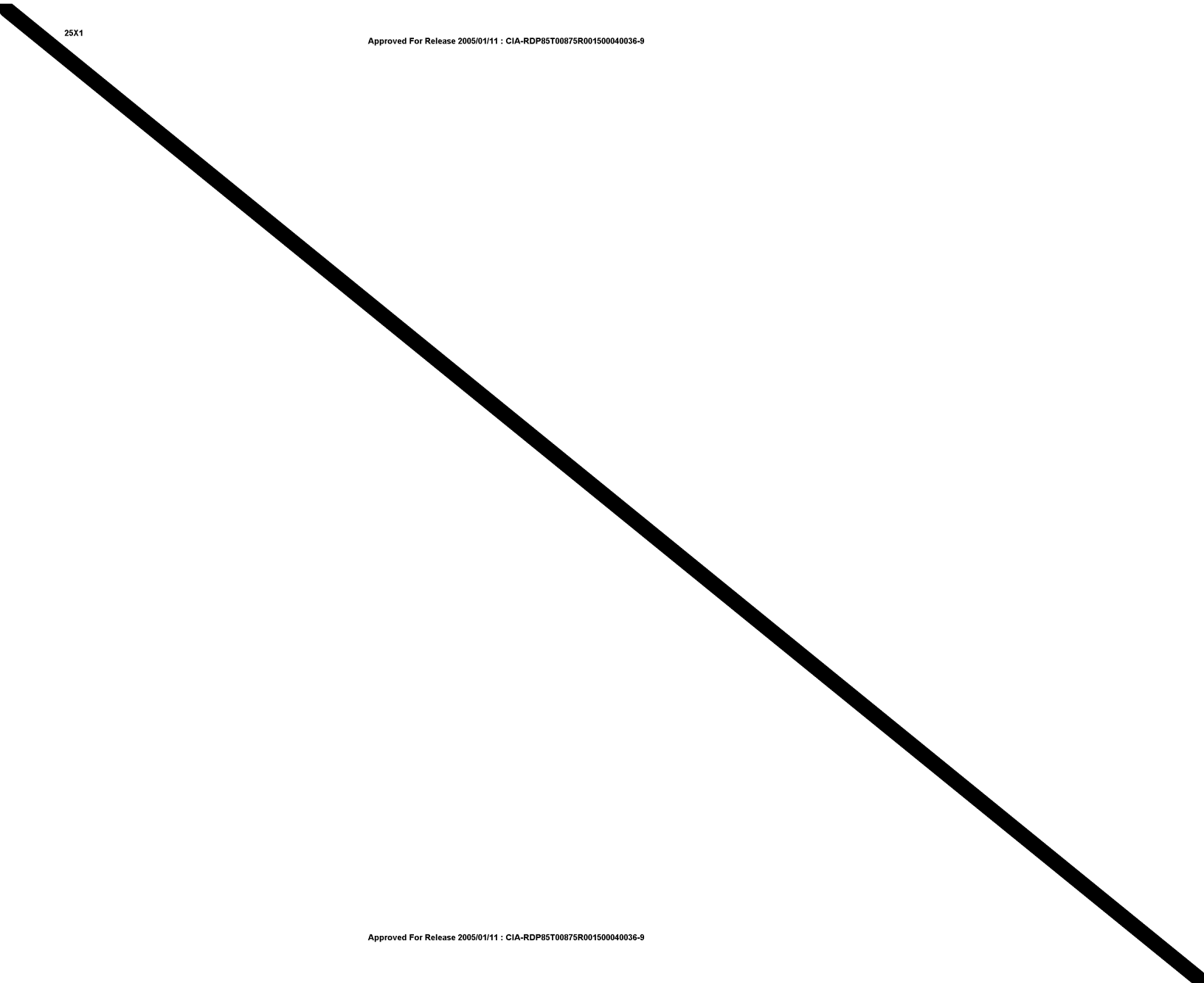

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DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

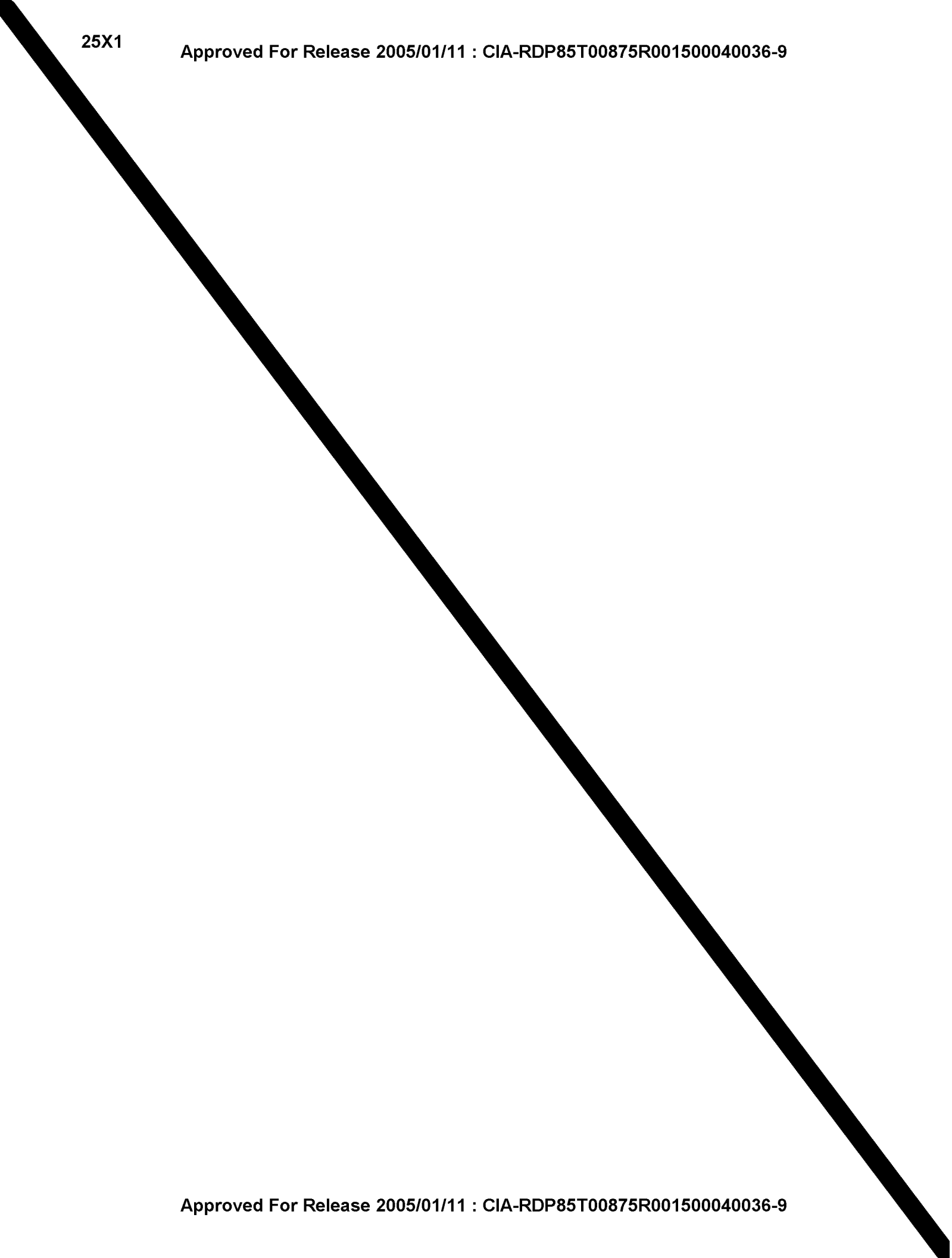
Special Report

Pompidou: The Presidential Tightrope

Secret

№ 650

20 October 1972
No. 0392/72A



Approved For Release 2005/01/11 : CIA-RDP85T00875R001500040036-9

Pompidou:

the Presidential

Tightrope

Despite the turmoil and troubles of 1968 and 1969—the student and labor crisis, legislative elections, pressures on the franc, defeat in a referendum and, finally, De Gaulle's resignation—Georges Pompidou still had a considerable number of assets when he took over the presidency of the Fifth Republic in June 1969. Not the least of these was a quarter century of close association with De Gaulle, culminating in six years as the General's prime minister. From that vantage point, Pompidou watched De Gaulle shape, interpret, and expand the powers of the presidency—decisively shifting the balance of political power from the Palais Bourbon to the Elysee. He had developed strong ties with the Gaullist party and emerged as the unofficial majority leader in the National Assembly after De Gaulle removed him from the cabinet.

Pompidou at Inauguration

That majority—the Gaullists and their Independent Republican allies control almost three fourths of the assembly votes—was another decided plus. So was the state of the opposition parties. Still reeling from the shock of their massive losses in the 1968 elections, they were divided internally and from one another. Finally, Pompidou had good reason to assume that France, tired of strife and confusion and perhaps even of De Gaulle's constant strivings for *grandeur et gloire*, was more than ready for a good dose of tranquility.

A New Approach

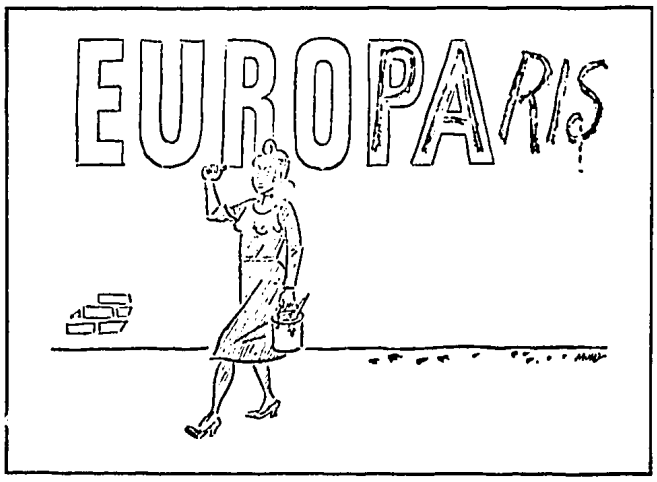
Immediately on coming to power, Pompidou set out to deal decisively with the most pressing problems confronting the government. First and foremost was the economy, which was still suffering from the effects of the May 1968 crisis. Massive capital outflows, a large foreign trade deficit, and extremely heavy speculation against the franc threatened to deplete official French reserves despite economic restrictions imposed in the fall of 1968. Pompidou devalued the franc in August 1969 and launched a "recovery" program that included tighter controls over credit and foreign exchange. The October revaluation of the German mark removed speculative pressures against the franc, and the resulting turnabout in the French trade-and-payments position permitted Pompidou to turn to other nagging problems. In a bold effort to repair the government's relations with labor and the unions, he had his prime minister, Jacques Chaban-Delmas, launch an imaginative policy of consultation with labor and management. Coupled to it was a comprehensive reform program, the "new society." The reforms were designed to improve the social and economic climate and to promote cooperation among various sectors of the economy. On the student front, Pompidou pursued reforms instituted under De Gaulle which, among other things, gave greater autonomy and power to individual universities and established councils intended to draw students more closely into

university life. The reforms, coupled later with tough new police powers, brought a measure of calm to the student community.

In the first several years of his tenure Pompidou did deal effectively with domestic problems and proved equally adept in foreign policy. For the most part, the new president followed the broad lines laid down by De Gaulle: detente with the USSR and Eastern Europe; a continued French presence in Africa; cultivation of good relations with China; and a search for a French role in the Middle East. He echoed the General's theme that national independence and freedom of action were desirable; that big power hegemony, supranationalism, and military integration should be resisted; and that an independent French nuclear force was vital. But, as he had promised in his election campaign, "continuity" was coupled with "change."

The first changes came in the general area of European integration—specifically in the enlargement and strengthening of the European Communities. At The Hague summit of the Six in December 1969, Pompidou in effect lifted the French veto on British entry into the Communities, and the Six reached an informal agreement to begin talking with the applicants. It soon became clear that the direction of his diplomacy was toward Europe and some speculated that Pompidou, in an effort to move out from under De Gaulle's giant shadow, was after the title "Europe's master builder." Realizing that German Chancellor Brandt's Ostpolitik threatened to eclipse France's claim to European leadership, Pompidou hoped to bring Britain into the EC so that the weight of Paris and London could be used in any eventual dispute with Bonn. Following the summit meeting between Pompidou and Prime Minister Heath in mid-1971, the Six reached agreement on terms of entry, and the years of strain between Paris and London stimulated by De Gaulle's vetoes of British membership appeared at an end.

At the same time, Pompidou began slowly and carefully to define a policy for the evolution of the EC into a confederation of states which



would constitute a "third force" in world affairs. This Europe would, in French eyes, cooperate in economic, monetary, scientific and technical affairs, but unity would stop far short of a supranational European government. The confederation Pompidou envisaged would act independently of outside pressure, whether from the US or USSR.

Good relations with Bonn, a continued emphasis on the "special relationship" with Moscow, and support for East-West detente were part and parcel of the impulse toward Europe. Semiannual consultations with West Germany became a feature of French policy, and if the two countries did not always agree—as frequently they did not—compromises usually emerged and differences were minimized. Both recognized that amicable Franco-German relations lay at the heart of any genuine European reconciliation, and the Germans were not very assertive. Pompidou's week-long trip to Moscow in October 1970 was a symbolic reaffirmation of old ties, even though the only tangible result was a protocol regularizing political consultations. Pompidou continued to push toward detente by expanding cultural, economic and technical cooperation with many of the East European countries. In early 1971, the French launched a diplomatic campaign for the long-proposed Conference on European Security and Cooperation—a forum in which Pompidou hoped France could play a leading

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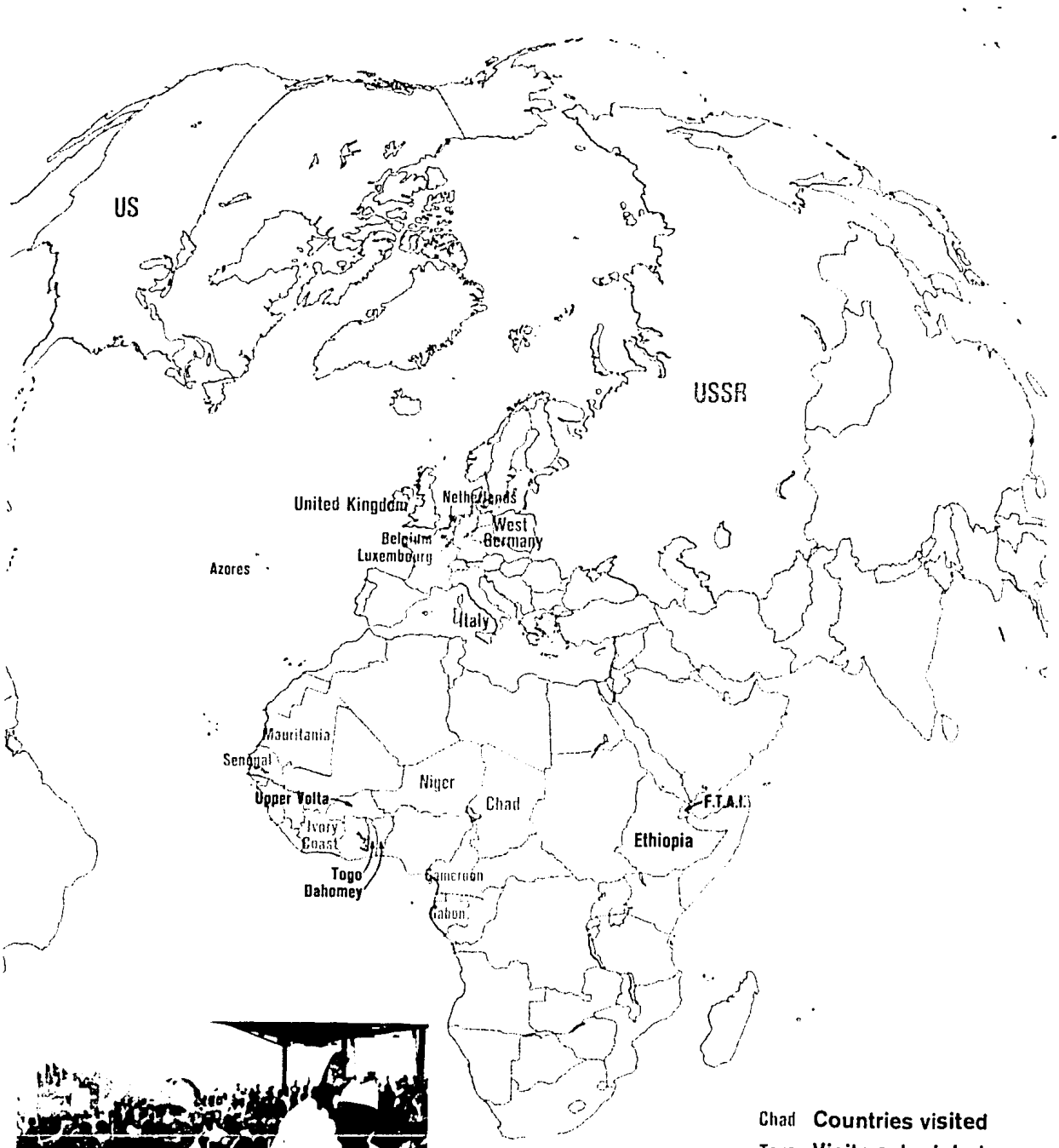
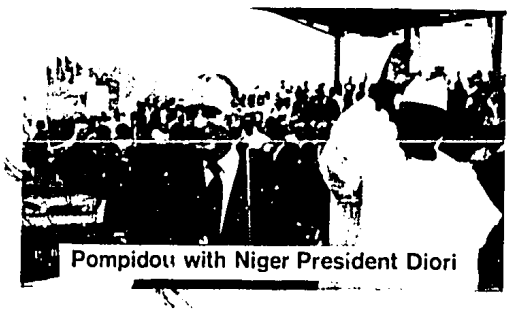
Countries Visited by French President Pompidou





Pompidou with Niger President Diori

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role. As part of a delicate balancing act between East and West, Pompidou also traveled to the US, the first official visit by a French chief of state in a decade.

While he sought to modify and refine Gaullist policy in Europe, Pompidou also devoted considerable effort to cultivating the Arab world. Believing that France had a natural role to play in the Mediterranean, he seemed intent on extending French influence throughout the area. One result was an expansion of French arms sales and stronger political, economic, and cultural ties with the Arabs. Africa, too, came in for a share of his attention. Pompidou made clear that he intended to adhere to De Gaulle's basic policy of maintaining close relations with the former French colonies and of giving these states economic and technical aid.

Successes, but

There were minor setbacks on the domestic and foreign policy fronts during Pompidou's first years in office, but no major ones. The government continued its mediating and conciliating role with labor and legislated additional benefits and rights for the workers. Sporadic student protests did occur, but real militant zeal was lacking. Radical student groups, fragmented and bedeviled by new and stringent laws and increased surveillance, were unable to rally moderates to revolutionary activity. Although there were problem areas in the economy—the most vexing were chronic inflation and rising unemployment—the economy at the end of 1971, basically was in good shape.

There were also irritations in foreign affairs and, in some cases, these gave the French cause for concern. Certain fears continued to haunt the French president: that the two superpowers would make arrangements vitally affecting Europe without consultation or participation of those concerned; that Bonn would outdistance Paris in the race for European leadership; that the EC would develop along lines repugnant to Pompidou. On the whole, however, De Gaulle's protege could after two-and-a-half years count himself a worthy successor—a leader who in a very pragmatic fashion made the most of France's assets and who exerted an influence disproportionate to the country's limited power.

Harbingers of Trouble

Although at the end of 1971 Pompidou had reason to be content, several specific and related developments that year, not alarming in themselves, were in fact a portent of problems that would emerge in 1972. First was the Gaullist party itself, the Union of Democrats for the Republic. The departure of the General hastened the evolution of Gaullism toward a loose federation of forces on the center and right. Pompidou seemed convinced that emphasis on Gaullist "purity" without De Gaulle would eventually result in a serious loss of popular support and a corresponding improvement in the fortunes of the left. He played it down the middle, holding the party open to cooperation with the non-Communists while continuing heavy stress on Gaullist objectives of order and progress.

Many staunch Gaullists were concerned that the mystique and unity of the De Gaulle years were being lost. In the early months of Pompidou's tenure, the party was troubled by minor rebellion and disaffection. Several small factions formed within the party, the most notable of which was a parliamentary group of right-wing loyalists calling itself the Presence and Action of Gaullism. It did not amount to much, and little was heard from this or other dissident groups in 1970. Pompidou was adroit in balancing innovations with statements of renewed commitment to the basic tenets of Gaullism. Perhaps more important, De Gaulle was out and Pompidou was in, and most Gaullists knew on which side their bread was buttered.

By 1971, signs of restlessness and discontent had begun to re-emerge. In February, two of De Gaulle's old associates resigned from the party. Although not so stated, their clear intent was to protest the breadth and flexibility of Pompidou's politics. The secretary general of the party, Rene Tomasini, publicly aired his grievances with Prime Minister Chaban-Delmas over some of his policies

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...by temperament, I am rather nice. I like to give pleasure, I don't like to give pain. I remember the advice General de Gaulle gave me at least 10 times. "Be tough, Pompidou." I try but it is hard and I suffer from it.

and decried the government's new liberalism in judicial and media affairs. At the annual party conference in September 1971, some of the younger elements demanded that the assembly be permitted a larger part in determining government policy. Although Chaban-Delmas agreed to increased consultations, the deputies remained skeptical that it would be meaningful.

The strains within the party were exacerbated by a seemingly endless succession of scandals throughout 1971. By the end of the year, nine cases of fraud, abuse of public confidence, influence peddling, extortion, outright theft or a combination of these had been revealed. The common thread running through the scandals was a connection between the accused—and in some cases the convicted—wrongdoers and members of the Gaullist political movement. Although widespread corruption within the government or the movement was not proved, the scandals, did foster the impression of an unwholesome relationship between power and big money in the Pompidou government. Some scandals were brought to light by the press; Finance Minister Valery Giscard d'Estaing was instrumental in exposing others. On the surface, his actions permitted the government to claim that it had nothing to hide and was in fact taking concrete steps to deal with wrongdoers. Many Gaullists felt, however, that Giscard—who has presidential ambitions—wanted only to disassociate himself and his Independent Republican party from the alleged sins of the Gaullists.

Troubled by nagging dissidence on the right and tainted by the scandals, the Gaullists had still another problem on their hands: the energetic and innovative Jacques Chaban-Delmas. The prime minister was personally responsible for many of the reforms which had contributed so greatly to labor peace, and he forged the close links with the centrists, but orthodox Gaullists found him far too liberal. Some in Pompidou's own entourage were unhappy with the free-wheeling prime minister, and there were occasional clashes between the president and his supposed right-hand man. Rumors abounded in 1971 that Chaban-Delmas was on the way out.

L'Affaire Chaban

In early February 1971, the muck-rakers at *Le Canard Enchaine* published what they called facsimiles of Chaban-Delmas' tax returns, alleging that the prime minister had paid little or no income tax for the years 1967-70. Chaban had committed no crime; he had merely taken advantage of an extremely complex tax system which favors the wealthy. Still, *Le Canard's* revelation brought to the surface a lot of simmering discontent. Chaban-Delmas was spirited in defense of his conduct on nationwide television, and Giscard D'Estaing later took to the air both to back the prime minister's claim of innocence and to promise reform of the tax system. These appearances restored a measure of confidence in Chaban-Delmas. But it appeared to the average Frenchman that Gaullist morality, after 11 corruption-free years under De Gaulle, was decaying, and this left a bad taste in the mouth. Those who had earlier clamored for the prime minister's scalp now had a genuine argument: not only had Chaban-Delmas been unable to control corruption flourishing under his regime, he himself had slightly dirty hands. No action was taken at that point, however, and in May he and his program were accorded an overwhelming vote of confidence in the National Assembly.

The Referendum

As *l'affaire* Chaban bubbled and simmered, Pompidou resorted to a favorite De Gaulle device—the referendum—to divert attention from the government's domestic shortcomings and to focus it on the popular issue of enlargement of the Communities. The proposal to expand the EC enjoyed widespread support in France, with polls showing well over 60 percent in favor. The wider

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issue inherent in the referendum was public support for Pompidou's overall European policy. As Pompidou doubtless intended, the left opposition, long at odds over the Communities, was caught flat-footed. Despite these assets, he was disappointed. He failed to gain the massive endorsement he so vigorously sought. The abstention rate, at 39 percent the highest in any election or referendum since 1946, was particularly worrisome. Did the abstentions reflect public apathy on an issue already regarded as settled, or did they reflect a protest vote from Frenchmen who ordinarily supported the Gaullists?

Although the opposition parties found it difficult to exploit the government predicament, Pompidou in effect became his own worst enemy. Rather than let the matter fade quietly away, he magnified the setback and went on the defensive. The referendum results, in his eyes, deprived him of the endorsement he sought as "Mr. Europe" and weakened France's claim to European

"The Incorruptibles"

leadership only months before a summit meeting of the enlarged EC was to take place in Paris. Then, too, perhaps Pompidou felt the setback all the more keenly because the referendum tactic had, with one exception, worked so beautifully for De Gaulle.

Referendum Consequences: The Summit

Pompidou apparently interpreted the high abstention rate as stemming in part from the abstention of orthodox Gaullists, who long had opposed certain aspects of his European policy. To bring the lost sheep back into the fold and to make clear at home and abroad that France still had some clout in Europe, Pompidou threatened to withdraw his invitation to host the summit unless his Community partners could convince him that solid achievements would result. This attempt to have his own way at the summit drew a strong negative reaction. In a series of meetings with the Italians, British, and Germans in July and August, the French sought to clarify their position and win over their partners. The explanations were not entirely successful, but the groundwork was laid in September for modest advances toward monetary union, a key French desire. The issue of a political secretariat, which Pompidou insisted must be located in Paris, was put aside, and France's partners agreed to forgo pressing for strengthened EC institutional arrangements at the summit. Although Pompidou got only a part of what he wanted, he agreed in the end to proceed with the summit.

Referendum Consequences: Cabinet Shake-up

The referendum, coming on top of *l'affaire* Chaban, continuing scandals and new unity on the left, was the straw that broke Chaban-Delmas' back. Right-wing Gaullists argued, convincingly, that his alleged failure to deliver the vote of pro-European centrists in the referendum boded ill for his ability to deliver those same votes in the parliamentary elections next year. Pompidou fired Chaban-Delmas in early July and picked a Gaullist purist, Pierre Messmer, to become the prime minister. The move was meant to placate

Messmer and Chaban-Delmas

hard-line Gaullists and to unite bickering party factions before the elections. Messmer, who served as De Gaulle's defense minister from 1960 until 1969 and was later appointed minister of state for overseas departments and territories, has long had strong ties with the Gaullist right wing. Messmer's cabinet appointments were clearly weighted in favor of orthodox Gaullists, although the current line-up does have some centrists and Independent Republicans. Five of the newly appointed officials belong to the arch-Gaullist parliamentary group, Presence and Action of Gaullism.

The Opposition Strikes

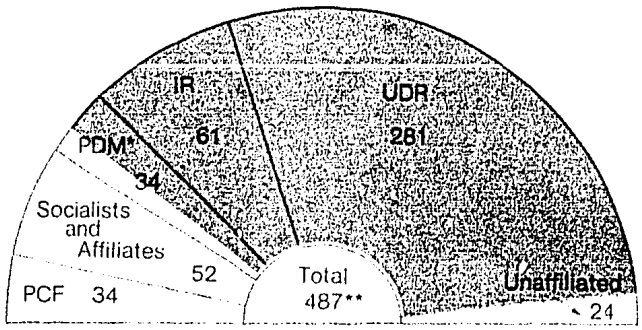
The backing and filling in the government camp was tailor-made for the left, which seized on it eagerly. Eight days before Pompidou announced the cabinet shake-up, Communist and Socialist leaders hammered out a "joint program for governing" which their party executive bodies separately approved. The groundwork for the joint program had been laid in June 1971, when new Socialist secretary general Francois Mitterrand pressed his party to open a dialogue with the Communists. Informal exchanges began shortly thereafter, and formal talks were initiated in the spring of 1972. Efforts to form a united left have been a recurring feature of French politics, but

during the De Gaulle years the two major leftist groups could agree only on temporary election alliances. The new accord, which sets forth detailed guidelines for change that a leftist government would follow, represents an important step forward in cooperation. The accord promises that a government of the left, would nationalize, among other things, an even greater share of French industry and financial institutions, freeze France's nuclear program at its current level, restrict the powers and term of the president, and grant major benefits to workers. The Communists in particular made important concessions to get the accord, notably in agreeing that a leftist government would resign if defeated in the parliament on two successive occasions and in accepting France's ties with NATO and the EC.

The accord papers over substantial differences on a number of key issues. Nonetheless, it clearly places the parties in a stronger position to face elections, makes their claim to represent a workable alternative to the present government more credible, and adds to the woes of a government that seemed in such good shape a scant six months earlier.

Party Strength in the National Assembly as of June 1972

Elected June 1968



UDR—Union of Democrats for the Republic
IR—Independent Republicans
PDM—Progress and Modern Democracy
PCF—French Communist Party

Parties in Government Coalition

*Some in the PDM are considered part of the government coalition
**One seat in the Assembly is presently vacant.

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Outlook

The elections make the next four or five months critical for Pompidou. No one expected, even in the halcyon days of 1970 and 1971, that the Gaullists and their allies could retain the same massive parliamentary majority. Further, as matters stand now, the government cannot, as it did after the 1968 trouble, play on the "me-or-chaos" theme and raise, convincingly, the specter of a Communist take-over. Nonetheless, the Gaullists had hoped that, in cooperation with the Independent Republicans and other centrists, a slim majority could be wrung out of the electorate. Whether that is still a live possibility depends on the answers to a number of complex questions.

Perhaps the most important of these questions is whether Prime Minister Messmer can restore a new sense of unity to the Gaullist party and win back public confidence. His appointment itself went far toward reassuring those who felt Pompidou was betraying basic Gaullist principles, and he will doubtless exert every effort to maintain his close ties with the orthodox segment of the party. He played to its love of the status quo by leaving ministries of defense and finance in the same hands. This appeal has to be balanced by a gesture to other elements of the Gaullist constituency. The appointment of Edgar Faure to the important new Ministry of Social Affairs symbolized the government's continuing commitment to the social and economic aspirations of the left wing of the governing coalition. To underscore that commitment, Messmer devoted his first television appearances largely to reassurances that he intends to maintain and expand Chaban-Delmas' "new society." On 6 September, Messmer and Faure unveiled a new plan for a "participatory economy" which steers a course between totalitarian socialism and traditional capitalism. Although the plan did not fully meet several of labor's principal demands, it did make a gesture in that direction. More important, it could prove attractive to millions of disadvantaged Frenchmen, all of whom are potential voters. By putting forth such a plan despite the budgetary restraints imposed by the fight against inflation, the government demonstrated a politically necessary

concern for the social and economic well-being of its citizenry.

Another key question, also closely linked to Messmer's performance, is the extent to which the scandals will damage the government. After a lull of several months, a new scandal cropped up in late August, in which high-ranking policemen and politicians in Lyon allegedly gave protection to a flourishing prostitution ring. A Gaullist deputy, called as a material witness but not charged in the case, is widely believed to be a source of protection for those involved. An even more sensational scandal reared its head in September. Gabriel Aranda, a left-wing Gaullist who had served as a press aide to the minister of equipment and housing in the previous cabinet, threatened to expose corrupt links between business and government circles unless France immediately halted the supply of Mirage jet fighters to Libya. Pompidou came down hard on Aranda in a televised press conference on 21 September and managed to blunt his impact. Pompidou made clear that steps would be taken to allow greater public scrutiny of government affairs. Moreover, he warned that the government would not tolerate those who sought political advancement through shady practices. and promised that all Gaullist candidates would be closely scrutinized. Perhaps most effective was his recital of stories about Aranda which appear to have convinced many that the man is mentally unbalanced.

Although none of these scandals by itself would inflict heavy damage on the government, they do have a real cumulative impact. Polls in early 1972 showed that only two percent of those queried believed high-level government officials were involved, but a recent poll shows that corruption is now an issue. Rumors abound in Paris that so far only the tip of the iceberg has emerged and that more revelations may surface at any time. The government has already made a show of investigating some of the cases, and this could help weaken charges of official laxity or connivance. The recent resignation of Gaullist party secretary general Rene Tomasini, ostensibly for reasons of ill-health, may have been forced by the Elysee because his name has been linked to several of the scandals. Like Chaban-Delmas, Tomasini's leadership had been under attack for some time, but the scandals may have tipped the balance against him. His replacement is an apostle of "pure and hard" Gaullism and will move against corruption in party circles. Nonetheless, opposition parties, particularly the Communists with their relatively clean record in municipal government, have exploited the scandals and will continue to do so.

Another key question is how well the Communist-Socialist accord will hold up. Strains have already appeared in the somewhat fragile alliance. In August, Socialist leader Mitterrand strongly criticized Moscow's policies on Czechoslovakia and Jewish emigration, thereby prompting a harsh response from Soviet Ambassador Abrasimov. The issues are touchy ones for the Communist Party, which must perform a delicate balancing act between its friends in Moscow and its newfound allies at home. The controversy convincingly demonstrated that the alliance is very much a marriage of convenience. In this case, each party put its own interests ahead of the common cause of a united left. The exigencies of the electoral contest could push the two further apart. The government has already signaled its intention to make the Communist danger a central theme in its campaign strategy.

Still another question is the state of the economy, since French elections, like others, very often turn on matters affecting the pocketbook. Although the gross national product is expected to expand at a satisfactory rate this year and the business climate has improved markedly since late 1971, there are pressing problems, the key ones being unemployment—now at a level quite high for France—and inflation. Wages are rising at a rate faster in France than in its main trading partners, and Paris could lose the competitive edge it has held since the revaluation of the franc in 1969. The government's room for maneuver is small. Pompidou does not want to abandon the high growth policy, particularly given his aspirations to match German economic power, and considerations of the election campaign dictate

REFERENDA DURING THE FIFTH REPUBLIC

Date	Issue	YES		NO		INVALID	ABSTAINED
		Electorate %	Vote %	Electorate %	Vote %	Electorate %	Electorate %
September 1958	Constitution of Fifth Republic	66.4	79.2	17.3	20.7	1.1	15.1
January 1961	Self-determination and provisional government in Algeria	55.9	75.2	18.3	24.7	2.1	23.5
April 1962	Algerian independence and right to implement it	64.8	90.6	6.6	9.3	4.0	24.4
October 1962	Direct election of president	46.4	61.7	28.7	38.2	2.0	22.7
April 1969	Regional and Senate reform	36.7	46.8	41.7	53.2	2.2	19.4
April 1972	Enlargement of European Communities	36.2	67.9	17.1	32.0	7.1	39.4

that both unions and private industry be handled with kid gloves. In the nationalized sector, the government will shortly be put to a test when labor contracts come up for renewal. Several of the major unions, including the big Communist-dominated one, are expected to refuse to sign. Moreover, the new Faure plan, with its substantial increases in social benefits and wages, will tend to drive up prices and is strongly opposed by industry.

The final question is whether developments in foreign affairs will help or hurt the government. In general, Pompidou has continued to follow the policies he conceived early in his tenure, and the tendency is still toward Europe. Unlike De Gaulle, who managed to pull off a number of spectacular coups in foreign affairs, Pompidou's only major departure was to lift the veto on British entry and to attempt to build Europe "a la Pompidou." Despite the hullabaloo—created almost entirely by the French President—over the summit scheduled for later this month, few Europeans expect momentous developments. Pompidou himself has already begun to play it down, saying that its greatest merit lies in the fact it is being held at all. Whatever the results, he will paint them as largely a French victory and hope that the public will forget his opening demands. Earlier polls showed that Frenchmen considered Pompidou's policy toward Europe his greatest achievement during his first

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two years in office, and he doubtless wants and needs further achievement in that arena.

Several foreign policy developments over the last eight months have not been to Pompidou's liking. President Nixon's trips to Peking and Moscow and the signing of the SALT agreement can only revive fears of the superpower syndrome he and De Gaulle have so vigorously fought. Bonn's independent actions in East-West matters and the cooperation between the British and Germans in the Communities to thwart certain French objectives are particularly disquieting. Pompidou has been unable to make any dent in the Middle East imbroglio, either via the "four power" forum or any other way. France is still on the sidelines insofar as an Indochinese settlement is concerned.

In Africa, a number of France's former colonies have been pressing for renegotiation of the 12-year-old cooperation accords with the aim of gaining greater control over their own affairs. Paris apparently has concluded that some revision is inevitable and will try to accommodate African desires without compromising its own vital interests.

None of these developments is so serious to cause a real stir at home, and most of the issues are too complex and sophisticated for the average French voter. In any event, elections in France almost always turn on bread-and-butter issues, ideological ties, and local conditions, and not on foreign policy.

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